

Re: Surface Management project area, T6S-R24E: Sec.6 File UTU 66357, Uintah Co., Utah

Dear Sir:

We have reviewed your letter of November: 14, 2000. Yesterday, Mr. Covington, our Secretary-Treasurer, met with Pete Sokolosky, and discussed the situation with him. It seems that there is a problem concerning the operations carried out on the property by Norman Haslem. Evidently Mr. Haslem has been conducting placer mining operations on a tract that your office had attributed the Operating rights, together with the reclamation obligations, to Bluebell. Oil Company. I am sure that this was an honest mistake on Mr. Haslem's part, but in an effort to comply with your letter, we find that we are in a position which would make us legally liable if we were to remove and haul off Mr. Haslem's property and equipment. without his permission. For Bluebell to be able to clean up & do the reclamation work required in this area in which he had been operating, will require not only our D-7 dozer, but our gin truck, a backhoe, and dump truck We feel that we should to contact Mr. Haslem and see what can be worked to avoid any legal problem that could arise in connection with this matter.

As a result, we respectfully request that Bluebell Oil Company allowed to have until the 30th of June, 2000 to complete this work and to comply with the terms and conditions of your letter. I also would like to have a meeting with Lynn Baker so that I more fully understand what needs to be done in the field. We want to do the reclamation work and will do our best to comply with your letter. We appreciate your patience.

May I hear from you concerning this matter at your earliest convenience?

Very truly yours,

Craig Caldwell